

# **Webjet Limited**

ABN: 68 002 013 612

**Half-Year Financial Report**

**Half-Year Ended 31 December 2005**

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Corporate Information

### Directors

Allan Nahum (Non Executive Chairman)  
Bernard Lochtenberg (Non Executive Deputy Chairman)  
David Clarke (Executive Managing Director)  
John Lemish (Executive Operations Director)  
Steven Scheuer (Non Executive Director)  
Timothy Dodds (Non Executive Director - Resigned 9 February 2006)  
Norm Fricker (Non Executive Director - Resigned 3 October 2005)  
John Guscic (Non Executive Director - Appointed 25 January 2006)

### Company Secretary

Richard Noon

### Registered Office

Level 5  
492 St Kilda Road  
Melbourne Vic 3004

### Solicitors

Minter Ellison  
525 Collins Street  
Melbourne Vic 3000

### Bankers

ANZ Bank  
420 St Kilda Road  
Melbourne Vic 3004

### Share Registry

Computershare  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

### Auditors

BDO  
563 Bourke Street  
Melbourne Vic 3000

### Internet Address

[www.webjet.com.au](http://www.webjet.com.au)

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

Half-Year Ended 31 December 2005

## CONTENTS

	<u>Page</u>
<b>Half-Year Financial Statements</b>	
Directors' Report	3
Condensed Consolidated Income Statement	5
Condensed Consolidated Balance Sheet	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Cash Flow Statement	8
Notes to the Financial Statements	9
Chief Executive Officer and Chief Financial Officer Sign Off	15
Directors' Declaration	16
Auditors Independence Declaration	17
Independent Audit Report	18

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Directors' Report

Your directors present their report on the company and its controlled entities for the financial half-year ended 31 December 2005.

### Directors

The names and details of the company's directors in office during the half-year and until the date of this report are as follows:

Allan Nahum, FCA, FCID, AIMM, AAISA, AIAA (Non Executive Chairman)

Dr Bernard Lochtenberg, BE (Hons), D Phil FTSE (Non Executive Deputy Chairman)

David Clarke (Executive Managing Director)

John Lemish, B.Ec (Executive Operations Director)

Steven Scheuer, B.Bus (Acc) (Non Executive Director)

Timothy Dodds, B.Comm, CA (Non Executive Director - Resigned 9 February 2006)

Norm Fricker (Non Executive Director - Resigned 3 October 2005)

John Guscic (Non Executive Director - Appointed 25 January 2006)

Directors have been in office since the start of the financial half-year to the date of this report unless otherwise stated.

### Review of Operations

The half-year ended 31 December 2005 has provided a consolidated profit of \$ 991,066 (after providing for income tax) compared to a profit (after income tax) for 2004 adjusted for the first time adoption of Australian equivalents to International Financial Reporting Standards as from 1 July 2004 of \$ 66,524.

Prior to depreciation and amortisation expenses, profits for the half year to 31 December 2005 was \$ 1,200,131 which compares with the half year to December 2004 on the same basis as \$ 242,678.

Profit before tax for the half year increased from \$ 66,524 to \$ 1,529,839.

As reported progressively to the market during the six months between July and December 2005 gross transaction values for the half year to 31 December 2005 have increased substantially to \$ 76.9m compared to \$ 29.6m for the half year ended 31 December 2004.

This dramatic increase in transaction volumes is a result of continued consumer acceptance of Webjet's high level of customer service, innovative product offering and a carefully targeted marketing campaign, which is reflected in the increased marketing spend of \$ 973,516 compared to \$ 294,721 for the December half last year.

Trading profits have seen a net positive cash flow increase for the half year of \$ 2.1m resulting in a cash on hand figure at 31 December 2005 of \$ 5.6 million.

During the six months Webjet has successfully transitioned through a series of airline commission reductions and has been able to maintain gross operating margins at an acceptable level. Increased customer service fees now account for 48% of Webjet's income stream compared to 17% a year ago.

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## **Webjet Limited - Half-Year Report**

ABN: 68 002 013 612

### **Directors' Report**

#### **Review of Operations (continued)**

At the current time we consider the Australian domestic travel market, both within Australia and from Australia to overseas regions, to be satisfactory.

We have from all indicators materially increased our market share during the December 2005 half year. Whilst it is neither possible nor prudent to make forecasts at this time we are encouraged by the very strong start to calendar year 2006 including a record level of gross transaction values in the month of January 2006, with satisfactory margins.

Subsequent to balance date Webjet has concluded important arrangements with Galileo which were advised to the Australian Stock Exchange on the 25th January 2006. We are now exploring strategic opportunities made possible by these new arrangements.

#### **Auditors Independence Declaration**

The auditors independence declaration for the half-year ended 31 December 2005 has been received and can be found on page 17 of the financial report.

Signed in accordance with a resolution of the directors.

Allan Nahum  
Director

Melbourne, February 2006

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Condensed Consolidated Income Statement

Half-year ended 31 December 2005

	2005	2004
	\$	\$
<b>Revenue</b>		
Commissions	2,304,044	1,602,533
Service fees	2,228,146	334,421
Marketing support	34,000	25,000
Interest income	114,057	21,555
	<u>4,680,247</u>	<u>1,983,509</u>
Employee costs	(1,177,318)	(804,068)
Depreciation, amortisation and impairments	(209,065)	(176,154)
Marketing expenses	(973,516)	(294,721)
Website hosting expense	(234,718)	(147,599)
Rent	(113,593)	(95,929)
Directors' fees	(115,793)	(47,500)
Professional fees	(114,425)	(53,444)
Insurance	(36,287)	(29,726)
Telephone	(60,393)	(65,005)
Listing and registry fees	(50,719)	(36,917)
Stationery	(11,601)	(11,872)
Other expenses	(52,980)	(154,050)
	<u>(3,150,408)</u>	<u>(1,916,985)</u>
<b>Profit before income tax</b>	<b>1,529,839</b>	<b>66,524</b>
Income tax expense	(538,773)	-
	<u>991,066</u>	<u>66,524</u>
<b>Profit attributable to members of the parent entity after tax</b>	<b>991,066</b>	<b>66,524</b>
Earnings Per Share:		
Basic earnings per share (cents per share)	0.41	0.04
Diluted earnings per share (cents per share)	0.33	0.03

The above Condensed Consolidated Income Statement should be read in conjunction with the accompanying notes.

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Condensed Consolidated Balance Sheet

Half-year ended 31 December 2005

	December 31	June 30
	2005	2005
Note	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	5,593,661	3,542,935
Trade and other receivables	1,019,701	721,651
Other assets	90,072	98,249
<b>Total current assets</b>	<b>6,703,434</b>	<b>4,362,835</b>
<b>Non-current assets</b>		
Property, plant and equipment	74,839	56,421
Deferred tax assets	1,767,876	2,345,427
Intangible assets	1,548,401	1,680,981
<b>Total non-current assets</b>	<b>3,391,116</b>	<b>4,082,829</b>
<b>TOTAL ASSETS</b>	<b>10,094,550</b>	<b>8,445,664</b>
<b>Current liabilities</b>		
Trade and other payables	795,247	630,755
Provisions	104,076	89,950
<b>Total current liabilities</b>	<b>899,323</b>	<b>720,705</b>
<b>Non-current liabilities</b>		
Trade and other payables	300,000	300,000
Deferred tax liabilities	276,827	315,605
Provisions	80,861	74,600
<b>Total non-current liabilities</b>	<b>657,688</b>	<b>690,205</b>
<b>TOTAL LIABILITIES</b>	<b>1,557,011</b>	<b>1,410,910</b>
<b>NET ASSETS</b>	<b>8,537,539</b>	<b>7,034,754</b>
<b>EQUITY</b>		
Share capital	3 13,537,499	13,162,499
Reserves	828,964	692,245
Accumulated losses	(5,828,924)	(6,819,990)
<b>TOTAL EQUITY</b>	<b>8,537,539</b>	<b>7,034,754</b>

The above Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Condensed Consolidated Statement of Changes in Equity

	Ordinary Shares	Retained Earnings	General Reserves	Option Reserve	Total
Half-year ended 31 December 2005	\$	\$	\$	\$	\$
Equity as at beginning of period	13,162,499	(6,819,990)	56,000	636,245	7,034,754
<b>Equity restated as at 30 June 2005</b>	<b>13,162,499</b>	<b>(6,819,990)</b>	<b>56,000</b>	<b>636,245</b>	<b>7,034,754</b>
<b>Changes</b>					
Profit for the period	-	991,066	-	-	991,066
Issue of shares	375,000	-	-	-	375,000
<b>Transfers to and from reserves</b>					
Option reserve	-	-	-	136,719	136,719
<b>Sub-total</b>	<b>375,000</b>	<b>991,066</b>	<b>-</b>	<b>136,719</b>	<b>1,502,785</b>
<b>Equity as at 31 December 2005</b>	<b>13,537,499</b>	<b>(5,828,924)</b>	<b>56,000</b>	<b>772,964</b>	<b>8,537,539</b>

	Ordinary Shares	Retained Earnings	General Reserves	Option Reserve	Total
Half-year ended 31 December 2004	\$	\$	\$	\$	\$
Equity as at beginning of period	10,769,154	(9,594,583)	-	-	1,174,571
<b>Equity restated as at 30 June 2004</b>	<b>10,769,154</b>	<b>(9,594,583)</b>	<b>-</b>	<b>-</b>	<b>1,174,571</b>
<b>Changes</b>					
Profit attributable to members of the parent entity	-	66,524	-	-	66,524
Proceeds from premium on issue of options	-	-	56,000	-	56,000
Issue of shares	1,096,751	-	-	-	1,096,751
<b>Transfers to and from reserves</b>					
Option reserve	-	-	-	187,960	187,960
<b>Sub-total</b>	<b>1,096,751</b>	<b>66,524</b>	<b>56,000</b>	<b>187,960</b>	<b>1,407,235</b>
<b>Equity as at 31 December 2004</b>	<b>11,865,905</b>	<b>(9,528,059)</b>	<b>56,000</b>	<b>187,960</b>	<b>2,581,806</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Condensed Consolidated Cash Flow Statement

Half-year ended 31 December 2005

	December 31	December 31
	2005	2004
	\$	\$
<b>Cash from operating activities:</b>		
Receipts from customers	4,268,140	1,514,122
Payments to suppliers and employees	(2,611,568)	(1,451,721)
Interest received	114,056	21,555
<b>Total cash from operating activities</b>	<b>1,770,628</b>	<b>83,956</b>
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(28,993)	(1,711)
Acquisition of intangible assets	(65,909)	(727,629)
<b>Net cash used by investing activities</b>	<b>(94,902)</b>	<b>(729,340)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from the issue of share capital	375,000	1,110,280
Proceeds from premium on issue of options	-	56,000
Payment of share issue costs	-	(29,537)
<b>Net cash used by financing activities</b>	<b>375,000</b>	<b>1,136,743</b>
<b>Net cash increase in cash and cash equivalents</b>	<b>2,050,726</b>	<b>491,359</b>
Cash and cash equivalents at beginning of year	3,542,935	794,512
<b>Cash and cash equivalents at end of year</b>	<b>5,593,661</b>	<b>1,285,871</b>

The above Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 1 Basis of Preparation half year report

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the entity ended 30 June 2005 and any public announcements made by Webjet Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

As this is the first interim financial report prepared under Australian equivalents to International Financial Reporting Standards (IFRS), the accounting policies applied are inconsistent with those applied in the 30 June 2005 annual report as this report was presented under previous Australian GAAP. Accordingly, a summary of significant accounting policies under Australian equivalents to IFRS has been included below. A reconciliation of equity and profit and loss between previous GAAP and Australian equivalent to IFRS has been prepared per Note 7.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

#### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

#### Accounting Policies

##### (i) Income Tax

The income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 1 Basis of Preparation half year report (continued)

#### Accounting Policies (continued)

##### (i) Income Tax (continued)

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

##### (ii) Impairment of Assets

At each reporting date the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### First-time Adoption of Australian Equivalents to International Financial Reporting Standards - consolidated reporting entity

Webjet Limited has prepared the financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 July 2004.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the consolidated accounts resulting from the introduction of Australian equivalents to IFRS have been applied retrospectively to prior year comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Webjet Limited to be prepared in accordance with Australian equivalents to IFRS.

The same accounting policies and methods of computation have generally been followed in this interim financial report as compared with the most recent annual financial report. Where accounting policies have changed because of the first time adoption of AIFRSs, these have been set out below:

- The recognition of the fair value of options issued to employees under AASB 2: Share Based Payments.
- The recognition of deferred tax assets in relation to carried forward tax losses due to the less stringent tests under AASB 112: Income Taxes.

Reconciliation of the transition from previous Australian GAAP to Australian equivalents to IFRS have been included in Note 7 to this report.

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 2 Company Details

The registered office of the company is:

Webjet Limited

Level 5

492 St Kilda Road

Melbourne Vic 3004

### 3 Equity Securities Issued

	2005	2004	2005	2004
	Shares	Shares	\$	\$
Exercise of options under the Employee option plan	9,000,000	-	375,000	-
Issued under employee tax deferred plan	250,000	-	-	-
Exercise of options by Harvey World Travel Group Limited pursuant to subscription agreement	-	21,000,000	-	840,000
Shareholder participation plan	-	840,000	-	35,280
In consideration of advertising services	-	400,235	-	16,009
Share placement - Australian Outback Tours	-	5,000,000	-	235,000
<b>Total</b>	<b>9,250,000</b>	<b>27,240,235</b>	<b>375,000</b>	<b>1,126,289</b>

### 4 Dividends paid or provided for on ordinary shares

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### 5 Contingent assets and liabilities

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

### 6 Segment information

The consolidated entity operated in one business segment being internet-based travel booking services. The consolidated entity operates in one geographical segment being Australia.

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 7 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

- (a) Reconciliation of total equity as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

The impact of adopting AIFRSs on the total equity as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

		31	
	30 June	December	
	2005	2004	1 July 2004
Note	\$	\$	\$
<b>Consolidated entity</b>			
Total equity under AGAAP	5,068,670	2,581,806	1,174,571
Recognition of option reserve for employee options	(d), (i) 636,245	187,960	-
Recognition of expensing employee options over vesting period	(d), (i) (636,245)	(187,960)	-
Recognition of net deferred tax assets in relation to carried forward tax losses	(d), (ii) 1,966,084	-	-
<b>Total equity under AIFRS</b>	<u>7,034,754</u>	<u>2,581,806</u>	<u>1,174,571</u>

# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 7 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

#### (b) Reconciliation of retained earnings presented under AGAAP to that under AIFRSs

The impact of adopting AIFRSs on the accumulated losses as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

	30 June 2005	31 December 2004	1 July 2004
Note	\$	\$	\$
<b>Consolidated entity</b>			
Total accumulated losses under AGAAP	(8,149,829)	(9,340,099)	(9,594,583)
Recognition of option expense	(d), (i) (636,245)	(187,960)	-
Recognition of net deferred tax assets in relation to carried forward tax losses	(d), (ii) 1,966,084	-	-
	<hr/>	<hr/>	<hr/>
<b>Accumulated losses under AIFRSs</b>	<b>(6,819,990)</b>	<b>(9,528,059)</b>	<b>(9,594,583)</b>

#### (c) Reconciliation of profit after tax presented under AGAAP to that under AIFRSs

The impact of adopting AIFRSs on the profit as reported under Australian Accounting Standards applicable before 1 January 2005 ("AGAAP") is as follows:

	Year ended 30 June 2005	Half-year ended 31 December 2004
Note	\$	\$
<b>Consolidated entity</b>		
Profit after tax as previously reported	1,444,754	254,484
Recognition of option expense	(d)(i) (636,245)	(187,960)
Recognition of net deferred tax assets in relation to carried forward tax losses	(d), (ii) 1,966,084	-
	<hr/>	<hr/>
<b>Profit after tax under AIFRSs</b>	<b>2,774,593</b>	<b>66,524</b>

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Notes to the Financial Statements

Half-year ended 31 December 2005

### 7 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

#### (d) Notes

(i) Share based payments must now be expensed under AIFRSs, AASB 2: Share Based Payments with a corresponding increase in equity (share option reserve). The fair value is measured at grant date and expensed over the period from grant date to vesting date, being the date that employees are unconditionally entitled to the options. The fair value of the options are measured using the binomial model, taking into account the terms and conditions attached to the options. The amount recognised as an expense will be adjusted to reflect the actual number of options that vest.

(ii) Under AIFRS the test for recognition of deferred tax assets in relation to carry forward tax losses is 'probable'. The directors are of the opinion that this test is less stringent under AIFRS than under AGAAP, and on that basis would recognise the deferred tax asset as at 30 June 2005 under AIFRS. The effect of the recognition is to increase retained earnings for the amount of the previously unrecognised deferred tax asset in relation to tax losses, and recognise a corresponding income tax benefit in the income statements which increases net profit after tax.

### 8 Subsequent Events

The company entered into revised licensing terms for the TSA (Travel Service Aggregator) software with Galileo (a Cendant Corporation subsidiary) on the 25th January 2006. Under these arrangements Webjet Limited has been granted an exclusive, irrevocable licence to the TSA software, Webjet Limited may continue to develop the TSA software as it sees fit and will own any future modifications. Webjet Limited may also sub licence the TSA software, other than to specific competitors of Galileo.

In the agreement with Galileo, Webjet Limited has issued 23,718,388 shares to GIW Holdings GV for nil consideration. Of these shares 9,000,000 will be held in escrow until the 25th September 2006 and a further 10,000,000 held in escrow until the 25th January 2007.

In addition to the above issue of shares and also on the 25th January 2006, GIW Holdings GV exercised \$200,000 convertible notes into 581,058 ordinary shares in Webjet at 34.42 cents (90% of the 30 day preceding VWAP). With its existing holding GIW Holdings GV now owns 27,299,446 or 10.27% of Webjet Limited's expanded share capital of 265,724,774 ordinary shares.

The financial effect of these events has not been recognised in these accounts.

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Chief Executive Officer and Chief Financial Officer Sign Off

The Chief Executive Officer and Chief Financial Officer of Webjet Limited state that:

1. With regard to the integrity of the financial statements of Webjet Limited for the half-year ended 31 December 2005, that having made appropriate enquiries, in our opinion:
  - (a) the financial records of Webjet Limited and of the entities for whom financial statements are required to be included in its consolidated financial statements (the Consolidated Entity) for the half-year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
  - (b) the financial report of Webjet Limited, being the financial statements and notes for the half-year, present a true and fair view, in all material respects of the financial position and performance of the Consolidated Entity in accordance with section 305 of the Corporations Act 2001 and comply with relevant accounting standards, in all material respects, in accordance with section 304 of the Corporations Act 2001.
2. With regard to the risk management and internal compliance and control systems of Webjet Limited in operation as at 31 December 2005, that having made appropriate enquiries, within the context described in point 3 below, to the best of our knowledge and belief.
  - (a) The statements made in 1(b) above regarding the integrity of the financial reports is founded on a sound system of risk management and internal compliance and control systems which, in all material respects, implement the policies adopted by the Board of Directors.
  - (b) The risk management and internal compliance and control systems to the extent they relate to financial reporting are operating effectively, in all material respects.
  - (c) Nothing has come to our attention since 31 December 2005 that would indicate any material change to the statements made in 1(a) and 1(b) above, and
3. The statements made in (2) above regarding the risk management and internal compliance and control systems are made within the following context.
  - (a) These statements provide a reasonable, but not absolute, level of assurance and do not imply a guarantee against adverse events or more volatile outcomes arising in the future.
  - (b) The design and operation of the risk management and internal compliance and control systems relating to financial reporting has been assessed primarily through the use of declarations by process owners who are responsible for those systems.

David Clarke  
Managing Director/Chief Executive Officer  
February 2006

Richard Noon  
Chief Financial Officer  
February 2006



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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 14, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2005 and of the performance for the half-year ended on that date of the consolidated entity;
2. in the directors opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Allan Nahum  
Director

Dated

# Webjet Limited

ABN: 68 002 013 612

## **Auditors Independence Declaration**

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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2005 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDO  
Chartered Accountants

J F Knott  
Partner

Melbourne

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# Webjet Limited - Half-Year Report

ABN: 68 002 013 612

## Independent Audit Report

### Scope

We have audited financial report of Webjet Limited and controlled entities for the financial half-year ended 31 December 2005 as set out on pages 5 to 14 and 16.

The financial report includes the consolidated financial statements of the consolidated entity comprising of the company and the entities it controlled at the half-year end or from time to time during the financial half-year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### Independence

In conducting our audit, we followed the applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out in the financial report has not changed as at the date of providing our audit opinion.

### Audit Opinion

In our opinion, the half-year financial report of Webjet Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2005 and of their performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

BDO

Chartered Accountants

J F Knott

Partner

Melbourne